

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$127,716,800	\$127,875,400	\$128,425,600	\$134,485,600	\$134,485,600	\$6,768,800	5.3%
FED	1,065,400	1,751,600	1,751,600	1,751,600	1,751,600	686,200	64.4
PR	2,361,600	2,541,700	2,541,700	2,373,400	2,373,400	11,800	0.5
SEG	<u>227,200</u>	<u>152,400</u>	<u>152,400</u>	<u>152,400</u>	<u>152,400</u>	<u>- 74,800</u>	<u>- 32.9</u>
TOTAL	\$131,371,000	\$132,321,100	\$132,871,300	\$138,763,000	\$138,763,000	\$7,392,000	5.6%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	12.36	12.36	12.36	12.36	12.36	0.00
PR	0.00	1.00	1.00	0.00	0.00	0.00
SEG	<u>0.64</u>	<u>0.64</u>	<u>0.64</u>	<u>0.64</u>	<u>0.64</u>	<u>0.00</u>
TOTAL	13.00	14.00	14.00	13.00	13.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by \$16,800 GPR and -\$39,500 SEG annually for: (a) full funding of salaries and fringe benefits (\$9,400 GPR and -\$39,800 SEG annually); (b) reclassification of positions (\$5,600 GPR annually); and (c) full funding of lease costs and directed moves costs (\$1,800 GPR and \$300 SEG annually).

GPR	\$33,600
SEG	<u>- 79,000</u>
Total	<u>- \$45,400</u>

2. BASE FUNDING REDUCTION [LFB Paper 245]

Governor/Legislature: Reduce the agency's GPR state operations appropriation by \$39,200 in each year. The total reduction amount was derived by making a reduction of 5% to this appropriation.

GPR	<u>- \$78,400</u>
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3. WHEG PROGRAM FOR UW STUDENTS

GPR	\$2,589,800
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Senate: Provide \$1,323,000 in 2001-02 and \$2,738,600 in 2002-03 to increase funding for the WHEG program for UW students by 7% annually. Total funding would increase from \$18,900,300 in 2000-01 to \$20,223,300 in 2001-02 and \$21,638,900 in 2002-03.

Under current law, the Wisconsin higher education grant (WHEG) program provides need-based grants to resident undergraduates enrolled at UW campuses, Wisconsin Technical College System (WTCS) institutions and tribal colleges. Funding for WHEG awards is provided in three separate appropriations within HEAB, one each for UW students, WTCS students and a PR appropriation for tribal college students.

Assembly: Provide \$378,000 in 2001-02 and \$763,600 in 2002-03 to increase funding for the WHEG program for UW students by 2% annually. Total funding would increase from \$18,900,300 in 2000-01 to \$19,278,300 in 2001-02 and \$19,663,300 in 2002-03.

Conference Committee/Legislature: Provide \$850,500 in 2001-02 and \$1,739,300 in 2002-03 to increase funding for the WHEG program for UW students by 4.5% annually. Total funding would increase from \$18,900,300 in 2000-01 to \$19,750,800 in 2001-02 and \$20,639,600 in 2002-03.

4. WHEG FUNDING FOR TECHNICAL COLLEGE STUDENTS

GPR	\$1,301,200
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Senate: Provide \$594,100 in 2001-02 and \$1,215,000 in 2002-03 to increase funding for the WHEG program for technical college students by 4.5% annually. Total funding would increase from \$13,201,900 in 2000-01 to \$13,796,000 in 2001-02 and \$14,416,900 in 2002-03.

Assembly: Provide \$264,000 in 2001-02 and \$533,300 in 2002-03 to increase funding for the WHEG program for technical college students by 2% annually. Total funding would increase from \$13,201,900 in 2000-01 to \$13,465,900 in 2001-02 and \$13,735,200 in 2002-03.

Conference Committee/Legislature: Provide \$429,100 in 2001-02 and \$872,100 in 2002-03 to increase funding for the WHEG program for technical college students by 3.25% annually. Total funding would increase from \$13,201,900 in 2000-01 to \$13,631,000 in 2001-02 and \$14,074,000 in 2002-03.

5. LINK FUNDING INCREASES TO TUITION INCREASE AT UW SYSTEM

Senate: Link annual increases in the appropriations for the Wisconsin higher education grant for WTCS students, UW System students and for minority undergraduate retention grants to the average prior year increase for resident undergraduate tuition at UW System comprehensive institutions starting in 2003-04. Effective July 1, 2003, modify these appropriations from biennial sum certain to be sum sufficient appropriations.

Conference Committee/Legislature: Delete provision.

6. TUITION GRANT PROGRAM

GPR	\$1,591,100
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Senate: Provide \$631,200 in 2001-02 and \$1,281,300 in 2002-03 to increase funding for the TG program by 3.0% annually. Total funding would increase from \$21,038,600 in 2000-01 to \$21,669,800 in 2001-02 and \$22,319,900 in 2002-03.

The tuition grant program provides need-based grants to resident undergraduates who attend private, nonprofit postsecondary institutions in Wisconsin.

Assembly: Provide \$420,800 in 2001-02 and \$850,000 in 2002-03 to increase funding for the TG program for private college students by 2% annually. Total funding would increase from \$21,038,600 in 2000-01 to \$21,459,400 in 2001-02 and \$21,888,600 in 2002-03.

Conference Committee/Legislature: Provide \$526,000 in 2001-02 and \$1,065,100 in 2002-03 to increase funding for the TG program for private college students by 2.5% annually. Total funding would increase from \$21,038,600 in 2000-01 to \$21,564,600 in 2001-02 and \$22,103,700 in 2002-03.

7. WISCONSIN TUITION GRANT -- MAXIMUM AWARD

Joint Finance/Legislature: Authorize the Higher Educational Aids Board to establish the maximum grant award for the tuition grant program. Permit the Board to increase the maximum grant award if the Board determines, to the best of its ability, that increasing the grant maximum would not decrease the total number of grant recipients receiving an award in the current year from the number who received an award in the previous academic year. Currently, the maximum tuition grant is statutorily set at \$2,300 annually.

[Act 16 Section: 1380m]

8. MARQUETTE DENTAL SCHOOL -- STUDENT TUITION ASSISTANCE

GPR	\$525,200
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Joint Finance: Provide \$175,100 in 2001-02 and \$350,100 in 2002-03 under the Higher Educational Aids Board to increase the maximum number of Wisconsin residents that qualify for tuition assistance at the dental school from 100 to 160. The funding provided assumes an additional 15 Wisconsin residents would be enrolled each year for the next four years. An additional \$175,100 in 2003-04 and \$350,100 in 2004-05 over total 2002-03 funding would be needed to fully fund the provision in the 2003-05 biennium.

Senate: Reduce funding by \$175,100 in 2001-02 and increase funding by \$144,700 in 2002-03, to: (1) reflect a delay in the effective date from 2001-02 to 2002-03 for the Joint Finance

provision that would increase the number of Wisconsin residents enrolled in the dental school that are eligible for tuition assistance from 100 to 160 residents; and (2) increase the amount of tuition assistance for Wisconsin residents enrolled in the dental school from the current level of \$11,670 per year to \$14,450 per year, beginning in 2002-03. The funding level assumes that an additional 15 Wisconsin residents would be enrolled in dental school each year over a four-year period, beginning in 2002-03.

Conference Committee/Legislature: Include Joint Finance provision.

[Act 16 Section: 481m]

9. NURSING STUDENT LOAN PROGRAM

GPR	\$450,000
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Senate: Provide \$25,000 in 2002-03 for the nursing student stipend loan program and reinstate the program by deleting the current law provision prohibiting any new students from participating in the program. This program would provide need-based, forgivable loans of up to \$2,500 per year to upperclassmen resident undergraduate students who are enrolled full-time in an eligible Wisconsin institution's nursing program. The stipend loan would be forgiven at a rate of \$1,000 for each year of employment as a registered nurse in a Wisconsin hospital, nursing home or public health agency.

Require HEAB to establish a loan program to defray the cost of tuition, fees and expenses for persons enrolled in a program in the state that would lead to: (1) an associate's degree in nursing; (2) a bachelor's degree in nursing; (3) a second degree that would make the person eligible to take the nursing licensure examination; or (4) a diploma in nursing. A total of \$450,000 GPR would be provided for the program in 2002-03. The maximum loan a person could receive for a fiscal year would be \$3,000 and the maximum total amount of loans a person could receive would be \$15,000. A recipient would not be required to repay a loan while enrolled in an eligible nursing program. After the recipient of a loan completed a nursing program, HEAB would be required to forgive 25% of the loan's principal and interest for the first fiscal year, 25% of the loan's principal and interest for the second fiscal year, and 50% of the loan's principal and interest for the third fiscal year that the recipient was licensed and employed full-time in the state as a nurse. In making loans, HEAB would be required to give priority to members of minority groups and persons who reside in urban areas with unemployment rates higher than the state average. To the extent possible, loans would have to be awarded to persons with a financial need and who were likely work in the state upon completion of a degree. HEAB would promulgate rules to administer the program.

Assembly/Legislature: Provide \$450,000 in a new annual appropriation starting in 2002-03 for a nursing degree loan program. Require HEAB to establish a nursing student loan program, beginning in 2002-03, to defray the cost of tuition, fees and expenses for students enrolled in programs in Wisconsin that confer an associate degree of nursing, a bachelor's degree in nursing, a second degree in nursing or diploma of nursing. Require the Board to

provide eligible students with a maximum loan of \$3,000 per year, with a maximum loan total of \$15,000 per recipient, with no repayments during their enrollment in a program. Require HEAB to forgive 25% of the loan's principal and interest after the first full year and 25% after the second full year that the recipient is licensed and employed in Wisconsin as a nurse. Authorize the Board to forgive loans on a prorated basis for persons who are employed less than full time. Require the Board to promulgate rules to implement and administer the program.

[Act 16 Sections: 481e and 1380t]

10. ACADEMIC EXCELLENCE SCHOLARSHIP FUNDING [LFB Paper 530]

GPR	\$124,000
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Governor/Legislature: Increase funding for the academic excellence scholarship program by \$62,000 annually to reflect a reestimate of the amount required to fully fund the scholarships in the 2001-03 biennium. This program provides scholarships to 12th grade students who have the highest grade point average in public and private high schools in the state.

11. RENAME THE ACADEMIC EXCELLENCE SCHOLARSHIP PROGRAM [LFB Paper 530]

Governor: Change the name of the academic excellence scholarship program to the "Governor Thompson scholarship program" and require HEAB, in any printed material or other information disseminated or otherwise distributed by the Board, to refer to the program as the "Governor Thompson scholarship program" and to refer to students who receive the award as "Governor Thompson scholars."

Senate/Legislature: Delete provision.

12. ACADEMIC EXCELLENCE SCHOLARSHIPS FOR INTERNATIONAL BACCALAUREATE SCHOLARS

Joint Finance/Legislature: Permit the local school board of a school district operating one or more high schools or the governing body of each private high school to offer one of their academic excellence scholarships to the senior with the highest grade point average in the international baccalaureate diploma program.

Veto by Governor [A-3]: Delete provision.

[Act 16 Vetoed Section: 1381m]

13. INCREASE FUNDING FOR MINORITY UNDERGRADUATE RETENTION GRANTS PROGRAM

GPR	\$95,000
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Senate: Provide \$55,400 in 2001-02 and \$115,300 in 2002-03 to increase funding for minority undergraduate retention grants by 8.0% annually. Total funding would increase from \$693,100 in 2000-01 to \$748,500 in 2001-02 and \$808,400 in 2002-03.

Awards under the program are made to resident minority undergraduates, excluding first-year students. The student must be enrolled at least half-time at an independent college or a WTCS institution. Awards are based on financial need.

Conference Committee/Legislature: Modify Senate provision to instead, provide \$31,200 in 2001-02 and \$63,800 in 2002-03 to increase funding for the minority undergraduate retention grants by 4.5% annually. Total funding would increase from \$693,100 in 2000-01 to \$724,300 in 2001-02 and \$756,900 in 2002-03.

14. MINORITY UNDERGRADUATE RETENTION GRANT REPORT

Governor/Legislature: Require HEAB to report by November 1, 2001, and annually thereafter to DOA on the effectiveness of the minority undergraduate retention grant program. Under current law, awards under this program are made to resident minority undergraduates, excluding freshmen, enrolled at least half-time at Wisconsin Technical Colleges or private, nonprofit postsecondary institutions in the state.

[Act 16 Section: 1383]

15. MINORITY UNDERGRADUATE RETENTION GRANTS FOR FIRST-YEAR STUDENTS

Senate/Legislature: Expand the eligibility requirement for the minority undergraduate grant program to include first-year students. Currently, students who are freshmen cannot participate in the program.

Veto by Governor [A-1]: Delete provision.

[Act 16 Vetoed Section: 1382r]

16. SASI INITIATIVE

GPR	\$79,400
SEG	4,200
Total	\$83,600

Governor/Legislature: Provide \$39,700 GPR and \$2,100 SEG annually for basic desktop information technology support as part of a small agency support infrastructure (SASI) program. This support is currently provided to small agencies by DOA. The proposed funding would support user fee charges of \$2,200 per

year for each user account at the Board. The services supported include desktop applications and hardware; continuous help desk support; network infrastructure and security; centralized data storage, backup and disaster recovery; dialup service; and E-mail/messaging services.

17. INCREASE FUNDING FOR THE MINORITY TEACHER LOAN PROGRAM

GPR	\$32,900
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Senate: Provide \$19,200 in 2001-02 and \$39,900 in 2002-03 to increase funding for the minority teacher loan program by 8% annually. Total funding would increase from \$240,000 in 2000-01 to \$259,200 in 2001-02 and \$279,900 in 2002-03.

Under current law, the minority teacher loan program provides loans at five percent interest in amounts of up to \$2,500 per year to Wisconsin resident, minority, undergraduate juniors or seniors. Recipients must be enrolled at least half-time in programs leading to teacher licensure at an independent or UW institution. A student who participates in this program must agree to teach in a Wisconsin school district in which minority students constitute at least twenty-nine percent of total enrollment or in a school district participating in the interdistrict pupil transfer program. For each year the student teaches in an eligible school district, 25% of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of 5%.

Conference Committee/Legislature: Modify Senate provision to provide \$10,800 in 2001-02 and \$22,100 in 2002-03 to increase funding of the minority teacher loan program by 4.5% annually. Total funding would increase from \$240,000 in 2000-01 to \$250,800 in 2001-02 and \$262,100 in 2002-03.

18. INCREASE FUNDING FOR TEACHER EDUCATION LOAN PROGRAM

GPR	\$25,000
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Joint Finance: Provide \$25,000 in 2002-03 for the teacher education loan program. This program provides forgivable loans to persons enrolled in a teacher education program offered by the Milwaukee Teacher Education Center.

Senate: Provide an additional \$225,000 in 2002-03 to increase funding for the teacher education loan program.

Conference Committee/Legislature: Include Joint Finance provision.

19. REESTIMATE FEDERAL REVENUES

FED	\$686,200
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Governor/Legislature: Reestimate federal revenues by \$343,100 annually to reflect an anticipated increase in the amount of federal funding under the

leveraging education assistance partnership (LEAP) grant program and the special leveraging educational assistance partnership (SLEAP) grant program. In the 2001-03 biennium, the total amount received under the LEAP program is estimated at \$642,000 annually, and the amount received under the SLEAP program is estimated at \$233,800 annually. Federal monies from this program are combined with state funds under the talent incentive program (TIP).

20. MAINFRAME UPGRADE PROJECT [LFB Paper 146]

	Governor (Chg. to Base)		Legislature (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-Lapse	\$0		\$168,300		\$168,300	
PR	\$168,300	1.00	- \$168,300	- 1.00	\$0	0.00

Governor: Provide \$88,300 and 1.0 position beginning in 2001-02 and \$80,000 in 2002-03 to fund mainframe computer upgrades in a new appropriation created to receive monies transferred from other state agencies. Mainframe computer upgrades would enhance the current system's performance, bring the system up-to-date with programming technology and make it easier to adapt to future computer programming changes. Funding would come from the dissolution of the Wisconsin Advanced Telecommunications Foundation's endowment fund.

Senate/Legislature: Delete \$88,300 and 1.0 position in 2001-02 and \$80,000 in 2002-03 to fund mainframe computer upgrades.

Under the provisions of Act 16, these unallocated WATF proceeds would be used for TEACH block grants and would offset GPR expenditures for this purpose.

21. INDIAN STUDENT ASSISTANCE GRANT PROGRAM FUNDING

PR	\$7,800
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Governor/Legislature: Increase funding for the Indian student assistance grant program by \$7,800 in 2002-03. This program provides grants based on financial need to resident undergraduate and graduate students who are at least 25% Native American and who are attending an institution of higher education in the state. Funding for this program comes from Indian gaming compact receipts.

22. WHEG PROGRAM FOR TRIBAL COLLEGE STUDENTS

PR	\$4,000
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Governor/Legislature: Increase funding for Wisconsin higher education grants for tribal college students by \$4,000 in 2002-03. The program provides grants based on financial need to resident undergraduate students enrolled at least half-time attending

a tribal college in this state. Funding for this program comes from Indian gaming compact receipts.

23. STUDY ON STATE PAYMENT OF TWO YEARS OF POSTSECONDARY EDUCATION

Senate/Legislature: Require the Department of Administration to undertake a study of the development and implementation of a tuition grant program that provides state payment of two years of postsecondary education. Require DOA to include representatives from the Higher Educational Aids Board, Department of Public Instruction, UW System, the Wisconsin Technical College System and the Department of Workforce Development as part of the study team. Require DOA to submit a report on the results of the study to the Governor and the Legislature by July 1, 2002.

Veto by Governor [A-2]: Delete provision.

[Act 16 Vetoed Section: 9101(21g)]

24. REPORT ON FORGIVABLE LOAN PROGRAM FOR FARMERS

Senate/Legislature: Require HEAB to develop a program to forgive loans of students who graduate from the UW System or from the Wisconsin Technical College System and farm for a period of five consecutive years. Require HEAB to submit a report summarizing the program to the Governor and the Legislature by March 1, 2002.

[Act 16 Section: 9124(1x)]

25. STUDENT LOAN FORGIVENESS STUDY

Senate: Require HEAB, by January 1, 2002, to study and report on the cost, desirability, and effectiveness of creating a student loan forgiveness program to attract workers to the state.

Assembly: Require HEAB, by January 1, 2002, to study and report to the Legislature and Governor on the cost, desirability and effectiveness of creating a student loan forgiveness program to attract workers to the state and legislative recommendations.

Conference Committee/Legislature: Delete provision.

26. FAILURE TO REGISTER WITH THE SELECTIVE SERVICE

Assembly/Legislature: Prohibit an individual who has failed to register with the Selective Service System from access to certain state employment and state-supported student financial assistance. Under current federal law, virtually all male US citizens and male aliens living in

the US who are ages 18 through 25 must register with the system. Prohibitions include the following:

UW System. Restrict the Board from providing state-supported financial assistance to any person who has not registered, and is required to register, with the Selective Service System.

Higher Educational Aids Board. Restrict HEAB from providing any state-supported financial assistance to any person who has not registered, and is required to register, with the Selective Service System.

State Employment. Prohibit any person who has not registered, and is required to register, with the Selective Service System from obtaining the following types of state employment: (1) an original appointment to a position in the state classified service; (2) an appointment to a position in the UW System as a student assistant, as student hourly help or in a position where the employment is a necessary part of the individuals training; or (3) an appointment as a corps enrollee in the Wisconsin Conservation Corps. Specify that this provision would first apply to appointments made on the first day of the 13th month after this provision's effective date. In addition, specify that it would not be employment discrimination because of conviction record to refuse to employ in one of these positions a person who has been convicted for refusing to register with the Selective Service System and who has not been pardoned.

Specify that these provisions would take effect on the later of January 1, 2002 or the first day of the fourth month beginning after the act's effective date.

[Act 16 Sections: 1349u, 1380g, 2606m, 3061r, 3061t, 9336(2w) and 9436(2w)]

27. CLARIFY APPROPRIATION LANGUAGE

Governor/Legislature: Clarify an erroneous reference in the introduction to the agency's appropriations to correctly refer to HEAB.

[Act 16 Section: 481]